

ABSTRACT

A collective procurement management system which permits multiple potential purchasers of a specific item or service to submit orders for the item or service on an ongoing basis. As orders enter the system, they are grouped such that potential purchasers are may “cooperate” in generating a collective bulk order so that all participants may obtain discount/volume pricing. Once a threshold level of order volume is obtained as a result of multiple orders, the grouped order is submitted to the supplier for fulfillment. The order is then fulfilled at a volume pricing level although individual portions of the collective order are routed to a plurality of purchasers. The present invention also includes a Reverse Auction Process (RAP) which, in one embodiment, operates to allow potential purchasers to select a product or service and set a maximum price that they are willing to pay for the same. Following submission of this information to the system, possibly including orders for the same item from other potential buyers, potential vendors bid to supply the item to the relevant buyers requesting the item.